

04.28.23

Re: Voyager Chapter 11 Bankruptcy

Case #: 22-10943

To the Honorable Judge Wiles,

My name is Mike Westbrook. I am a customer and creditor of Voyager. I am writing an impact statement to give some insight into how the Voyager bankruptcy, and Steve Erlich in particular, have negatively impacted my life and my financial situation.

Like many Voyager customers, I chose Voyager for a variety of reasons, but chief among them, without question, was their claim to be a fully regulated, fully legally compliant business in both Canada and the United States.

Voyager customers were repeatedly told, in a variety of formats (company literature, interviews, YouTube, etc) that:

1. Voyager was fully regulated and compliant
2. Customer funds belonged to customers and could be redeemed 1:1 at any time
3. Voyager did not engage in any risky lending practices

As you know, Steve Erlich was personally responsible for an unsecured \$650 million dollar loan to 3AC. While I am no expert in business, I think it's safe to say that's about as irresponsible as it gets and is the textbook definition of "risky lending".

Voyager customers were repeatedly reassured that Voyager had NO exposure to 3AC and that all customer funds were safe and secure. This was a lie, as customers discovered when Voyager froze the platform, declared bankruptcy and seized customer funds.

I am continually amazed that Steve Erlich and the Board of Directors have yet to be charged with any crime. In every way that matters, their conduct indicates fraud, or, at the very least, extreme negligence.

Upon declaring bankruptcy, Steve immediately hired a team of lawyers who, to my knowledge, have no previous experience in crypto. They were hired for one purpose only: To protect Steve at creditor expense. All attorney fees to date have come from customer funds. From day 1, Steve's attorneys have tried to carve out exculpation clauses to indemnify Steve, the Board of Directors and the attorneys themselves from any and all criminal or civil liability.

You might be wondering why this would be necessary if there was no wrongdoing on the part of Steve, the BoD or the attorneys. You might also wonder how this benefits creditors in any way, shape or form.

I assure you, all customers have wondered the same. There is NO benefit to customers. There is NO reason for exculpation. Voyager's attorneys have suggested exculpation is "necessary" in order to facilitate sale of the company to a 3rd party. This is patently and obviously false on its face.

To date, every attempt to sell the company to a 3rd party has been an abject and absolute failure. The level of incompetence exhibited by HIGHLY paid attorneys is nothing short of astonishing. And again, through it all, at customer expense. If I failed at my job the way Voyager's attorneys have failed at theirs, I would be fired 10,000 times over.

Yet Steve and the BoD continue to draw a salary, again, at customer expense. What work, exactly, are they doing? Nothing of benefit to Voyager customers.

Customers received a 1099 notice. We have to pay taxes on "our" crypto. The crypto, I might add, that belongs to the bankruptcy estate. So if the crypto belongs to the bankruptcy estate, why are they not the ones paying the taxes?

Once again, customers are being robbed by Steve and Voyager.

At every turn, Steve, the BoD and their attorneys have repeatedly squandered resources, drained customer funds, misrepresented and done absolutely nothing for customers, while simultaneously enriching themselves. Many, including myself, believe they are purposely dragging the process out as long as possible in order to drain as much customer money as possible. They are succeeding.

There is NOBODY who represents customers. The only people who receive representation and protection are Steve and the BoD. All at the customers expense.

I have thousands of dollars on the platform. Each day, I get to watch Steve siphon that money away. Each day, my potential return gets smaller.

To date, tens of millions have been spent on attorneys fees and attempts to shield Steve from legal and civil liability. What we have received in return is...nothing. No deal with any 3rd party has gone through. We are literally back at square one. To call them incompetent is an insult to the incompetent.

I keep in contact with many of the individuals who have spoken at the hearings. I am aware that the attorneys have willfully misrepresented the customer base by indicating that only a handful of people have complained, therefore the majority must be "happy" with how things have proceeded.

I can assure you, nothing could be further from the truth. While it is true that most customers have not personally become involved in this proceeding, I would urge you to consider the following:

1. Most customers have day jobs and families. They do not have time to follow the case minute by minute, hour by hour, day by day. Unlike Voyager's attorneys, they are not being paid to follow the case. Instead, every minute they spend on it is time away from work and their families.

2. Many customers have relatively low sums of money on the platform. That does not mean that money isn't important to them. For some people, a thousand dollars is a great deal of money. However, as Your Honor is aware, attorneys' fees are expensive. A thousand dollars is nothing and would be easily spent in short order. Most people are smart enough to do a cost/benefit analysis and realize there is no point in hiring counsel to attempt to recover a relatively small sum of money.
3. Many people are intimidated by the legal process and/or don't understand how to navigate the system.

I can assure Your Honor that I do not know a single person who is happy with the way things have proceeded. Not one. Customers are NOT happy or content with the job Voyager or its attorneys have done. Quite the opposite. Please don't let their silence imply that that is the case, regardless of the rosy picture Voyager's attorneys attempt to paint.

It has also come to my attention that Voyager's attorneys may be considering clawbacks on customers who withdrew funds within 90 days of Voyager declaring bankruptcy. I reiterate that during the 3AC debacle, Steve assured customers repeatedly that all was well and customer funds were safe. While this was patently false, it does indicate that customers had no insider knowledge that would legally subject them to clawbacks. Any attempt to recover customer funds via clawbacks would therefore be an incredibly cynical attempt to further rob customers of their funds for the benefit of Steve and Voyagers' attorneys. I would implore Your Honor NOT to allow this to occur.

In addition, to my knowledge, virtually no attempt has been made to clawback funds from any individuals who actually had insider knowledge, which is to say, Steve Erlich and the BoD.

To date, Steve has not issued an apology in any way, shape or form to customers. Setting aside issues of criminality, the best you can say for his actions is they were grossly negligent. Not one word of apology or even a hint of remorse. And I don't believe he is sorry. I believe he has zero regard for customers or their families.

The saddest part of all is that I am one of the "lucky" ones. I "only" lost several thousand dollars of actual money that I put on the platform and another \$2000 in Voyager stock (which is now worthless). Many people lost their life savings. I can recover. But many others might not.

I want to thank you for taking the time to read this impact statement. Customers are real people who feel real personal and economic pain from the actions of Voyager in general, and Steve Erlich in particular. Please don't forget us.

Thanks you for your time.

Sincerely,

Mike Westbrook